

**SBA**

**SOP 60 10 3**

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**Business Development  
Program**

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**U.S. Small Business  
Administration**

**Office of Business Development**

**SMALL BUSINESS ADMINISTRATION  
STANDARD OPERATING PROCEDURE  
NATIONAL**



**SUBJECT:**

**BUSINESS DEVELOPMENT PROGRAM**

**S.O.P.**

**REV**

**SECTION**

**NO.**

**60**

**10**

**3**

1. Purpose. To provide procedures for the operation of the Business Development Program.
2. Personnel Concerned. All central and field office personnel involved in the Business Development Program.
3. SOP Canceled. SOP 60 10 2, dated 4-30-82
4. Distribution. Standard
5. Reporting Requirements.
  - a. SBA Form 641, "Request for Counseling," paragraph 37
  - b. SBA Form 888, "Management Training Report," paragraph 39
  - c. SBA FORM 1062, "Business Development Counseling Record," paragraph 37
  - d. SBA Form 1104, "SCORE and ACE Quarterly Activity Report," paragraph 17
  - e. S.F. 272, "Federal Cash Transaction Report," paragraph 19
  - f. S.F. 269, "Financial Status Report," paragraph 19
  - g. OMB No. 3245-0169, Quarterly and Annual SBDC Performance Reports, paragraph 19
  - h. SBA Form 20, "National Training Participant Evaluation Questionnaire," paragraph 19
  - i. SBA Form 1419, "Small Business Development Center Counseling Evaluation," paragraph 19
  - j. SBA Form 1496, "Small Business Development Center Program Evaluation and Onsite Review" and "SBDC Self-Study Guide," paragraph 19
6. Originator. Office of Business Development.

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CHAPTER 1  
BUSINESS DEVELOPMENT  
OVERVIEW

1. INTRODUCTION

As the Office of Business Development carries out its mission, it is important to consider the economic climate and development conditions of the small business sector. The Standard Operating Procedures (SOP) is a vehicle for tailoring the Business Development (BD) support activities and actions to meet the demands and needs of local, state and regional market conditions. This SOP is designed to provide specific criteria and practical action elements for BD personnel.

The following chapters will provide a flavor for the dynamic small business community climate in which BD personnel implement the Agency's program functions and business assistance activities. These chapters provide the detailed elements of BD's activities to be implemented at all levels. They also represent the criteria for evaluating the performance of BD personnel.

a. Climate for Small Business Development

- (1) Small businesses are a major contributor to the national economic growth. The dynamic small business sector has shown an extraordinary capacity to mobilize resources and generate new growth in the changing economy. Their capacity to redistribute resources through existing market mechanisms has been an important element in that growth.
- (2) Small businesses also have led the way in productivity and job creation. Small firms continue to expand and adjust operations in a changing, fast-paced and ever challenging market economy. Much of this success has been the result of their capacity to demonstrate entrepreneurship, innovation and job creation.
- (3) As the American economic system continues to experience dramatic shifts, the small business sector will be challenged to demonstrate its historic ability to respond quickly to structural changes. A critical determinant in the success or failure of most small businesses is management expertise.

b. Role of Business Development

- (1) Business Development was conceived in 1985 as a support function to encourage marketing, initiative and management expertise and to serve as the outreach and leveraging arm of the Small Business Administration. In the past, SBA's Management



Assistance activities focused on counseling, training and information assistance. These continue as functions of BD.

- (2) Business Development initiated a new approach to leveraging and marketing services for the small business sector. The work of BD is out in the field and in the communities where small businesses develop, thrive and expand. It is at this level that the important BD services are provided.
  - (3) Primary functions of the Office of Business Development include: understanding small business needs and knowing the quantitative and qualitative outcomes of SBA's programs and services. A hallmark of BD's program is its ability to leverage cost free services from the private sector. Similarly, self-support is a major thrust of the program at all levels. One way this cost recovery initiative is achieved is by charging user fees.
  - (4) The District and Branch Offices serve as the basic support center for BD's delivery of services.
  - (5) To meet the demands of the nation's small business community, it is essential that BD personnel are actively out in the community initiating activities and delivering technical services through private sector based organizations. In addition, BD will pilot new programs, to test their potential for nationwide adoption.
- c. The Mission of the Office of Business Development:
- (1) Serve as the principal market sensitive arm of the SBA in identifying trends, understanding needs, piloting programs and targeting resources to promote small business development.
  - (2) Assure that programs and services developed in response to those needs are successfully marketed to clients in the business community.
  - (3) Engage, involve and direct technical experts, resource people and professionals from educational institutions, SBDC's, SCORE and ACE, SBI's and private sector entities, in providing assistance to the small businesses.
  - (4) Expand strategically selected private sector participation in carrying out Business Development programs.
  - (5) Ensure the administration of quality programs, and services through trained professionals at all levels.
  - (6) Cooperate with the Central Office program area responsible for developing quantitative and qualitative data and report measurable effects of SBA's programs for all target groups.

- (7) Implement cost recovery practices for Business Development programs, services and activities.

## 2. ROLE OF BUSINESS DEVELOPMENT PERSONNEL

- a. Business Development field programs, services and activities are an important function of the SBA. The success of BD is largely dependent upon BD personnel in the field taking the initiative and providing imaginative leadership in collaboration with business support organizations in the community.
- b. BD personnel have direct client involvement only in very rare cases. Numerous resources, both public and private, are available within the small business community and they are to be utilized to the fullest extent possible.
- c. Demonstrating an ability for cooperative efforts is an important feature of all activity initiated by BD personnel. At the same time, it is essential that all BD personnel develop a cost recovery sense as they plan their activities.
- d. Success in serving the small business sector depends on BD's ability to motivate business support organizations and establish a climate of trust and cooperation within the community. Imaginative activities and creative responses on the part of BD Officers (BDO) is the ingredient for achieving success through BD's initiative.
  - (1) The Small Business Development Center's program is an example of imaginative involvement among BD personnel, the small business community, educational community, private sector and local and state government officials. BD personnel must continue to foster and support such community partnerships.
  - (2) The SCORE and ACE program provides an example of highly motivated and competent individuals volunteering their services to the small business community. BD personnel must continue to recruit and thoughtfully engage this tremendous resource of executive talent.
  - (3) Information made available by BD and through other entities includes a wide variety of publications that assist in developing management expertise. Through private sector involvement and the initiation of user fees, the program is becoming self-supporting.
- e. Essential roles of BD personnel include communication, coordination and advocacy to promote small business interests. The objective is to establish a climate for teamwork with business support organizations in the community, such as, chambers of commerce, SCORE and ACE volunteers, trade associations, for-profit organizations,



junior and community colleges, Small Business Institutes and Small Business Development Centers; and at the state level with government agencies and state departments of economic development.

- f. BD personnel are responsible for providing the full range of marketing opportunities and other services within SBA as they carry out their communication and coordination functions. It is, therefore, important to establish and maintain a teamwork approach with colleagues in the SBA as well as with business support organizations in the community.

### 3. TIME MANAGEMENT

- a. In order to provide the essential services, Business Development personnel must allocate their time to maximize their success in carrying out the mission statements of BD. Typical and illustrative of the time breakdown is:

(1) Planning	15-20%
(2) Resource Direction/Administration	40-50%
(3) Marketing and Outreach	15-20%
(4) Small Business Education Development	10-15%
(5) Direct Client Involvement	5-10% (at the most)

- b. Planning. BD takes the initiative in the planning process focused on fostering teamwork and cooperation among all Agency divisions and business support organizations in the community. The planning and leveraging process is covered in Chapter 2.

- c. Resource Direction and Administration

- (1) The major role of the BDO is as resource manager and developer, catalytic agent and designer of cooperative community team efforts grounded in trust and understanding.
  - (a) It is the skillful development of business support organizations in the community, in concert with community and State officials, which is the basis for assessing the BDO's job performance. It is through these skills and efforts that the Agency measures, analyzes and serves the small business community.
  - (b) Most of BD personnel's time should be spent in the field with leaders of our own resource partners and leaders of other business support organizations--initiating management services, networking, marketing and leveraging private sector resources.

- (2) High level performance by BD personnel means interacting in the field with business support organizations and the small business sector at large. BD must strive to develop strategies for leveraging resources.
- (3) Similar initiatives must be developed as BD moves program resource management toward self-support. This is a major responsibility of the BDO and a key measurement of job performance. Progress elements include:
  - (a) Developing joint programs with the private sector;
  - (b) Encouraging the private sector to assume greater responsibility in small business development;
  - (c) Securing private sector support in the form of facilities, speakers, publications and funds for development activities; and,
  - (d) Establishing user fees that recover costs for programs and services.
- d. Marketing and Outreach. BD bases its marketing, priorities, strategies and activities on its awareness of the small business market, needs and conditions.
  - (1) BD conducts studies on management resource needs and evaluates its management service programs to determine cost effectiveness. BD maintains awareness of new target groups and needs in the small business community that can benefit from the Agency's services and programs. BD occupies the leadership role in this activity by allocating work to other support organizations in the community in concert with the District Action Plan. BD is SBA's vehicle for focusing all Agency services on the target markets.
  - (2) A vital phase of BD's marketing role is the collection and analysis of feedback from clients. Through attention to this feedback, BD enhances the market sensitivity of SBA's programs and delivery of services.
- e. Business Education. BD serves as the catalyst in the development and management of small business education in communities throughout the nation. This effort is accomplished mainly by:
  - (1) Establishing the training needs and educational priority requirements of small business personnel;
  - (2) Engaging public and private educational and other institutions and directing the network to provide the identified education needs;

- (3) Initiating innovative programs to test new development and management concepts and techniques; and, by
  - (4) Encouraging small business personnel to enhance their management capability through education.
- f. Evaluation and Measurement of Programs and Services. In order to achieve a valid measurement of services, BD must participate in a program with highly competent professionals and qualified small business support organizations in the community. Examples of useful measurements include:
- (1) Capturing the opinions of clients through random surveys, unsolicited letters and informal feedback sessions;
  - (2) Measuring the economic effect of BD's assistance upon client businesses;
  - (3) Reporting on activities to leverage BD's programs and services, maximizing output as costs are minimized; and,
  - (4) Monitoring the effect of newly introduced fee structures for selected services as a measure of the existing market.
- g. Leadership, creativity and initiative in promoting marketing efforts and leveraging private sector resources in the field are critical elements of exemplary job performance. These qualities will be greatly valued as the performance of BD personnel is measured.

## CHAPTER 2

## STRATEGIC PLANNING

4. INTRODUCTION

Counseling small business owners to prepare a business plan is fundamental to the type of assistance we provide each day. As an Agency that has ample opportunity to observe the consequences of unplanned business endeavors, we can appreciate the vital role of planning within our own organization. Planning is the key management function.

5. OBJECTIVES. The "Strategic Planning Process" in Appendix 1 corresponds to the objectives listed below. BD personnel:

- a. Serve as technical advisors to other program area managers and District Directors to help them thoroughly integrate the concepts of private sector leveraging and marketing into their annual plans;
- b. Help infuse the element of market sensitivity into program planning by informing Agency management, at all levels, about the results of small business needs analysis performed by associations, chambers of commerce, for profit and non-profit organizations, universities, etc.
- c. Provide planning input to other small business service organizations (such as SCORE, SBDC, SBI, chambers of commerce, trade associations and private sector entities) by clearly communicating the specific tasks they can accomplish in concert with SBA's mission;
- d. Conceive and exchange innovative approaches to foster small business development by strategically involving the private sector in alliances with SBA; and,
- e. Develop teamwork within the Agency and among the small business service organizations.

6. BUSINESS DEVELOPMENT PLANNING PROCESS

While Business Development does not perform needs surveys and studies, it is important that we understand what studies and surveys have been performed, their findings and recommendations. Many of the small business associations, chambers of commerce, universities, private for-profit companies and nonprofit groups perform various surveys and studies to assess the needs of the small business community. It is through the review and prioritization of the findings that BD can adjust its services and those of the resources to better serve small business.

- a. The review process begins at the local level. The ADD/BD is responsible for the collection of the various surveys and studies on small business needs within the geographic area covered by the District Office. The ADD/BD prioritizes the needs and submits a brief summary of the prioritized needs to the ARA/BD prior to December 30th.
- b. The ARA/BD summarizes the various district reports and prioritizes the findings to reflect the most pressing needs within the region. These needs are considered when setting regional priorities. The ARA/BD forwards the overview of small business needs within the region to the AA/BD by March 1. At each level, the reports will include recommendations for targeting SBA programs and SBA resource services to the needs and a cost/benefit analysis for providing such service.
- c. The AA/BD is responsible for the review of all regional submissions, the prioritization of the needs on a National basis and the setting of national BD program goals and priorities. National BD program goals and priorities are submitted to the Administrator for review and approval. Those that are approved by the Administrator become part of the Administrator's goals and priorities.
- d. The implementation cycle of Business Development's program priorities begins with the issuance of the Administrator's goals and priorities. The ARA/BD is responsible for the coordination within the region of the national priorities as they pertain to the Business Development program. Each ARA/BD reviews the national priorities and adds those regional BD priorities that are not addressed. The priorities become the basis for the BD portion of the Regional Action Plan (RAP).
- e. Upon receipt of the Regional Action plan, the ADD/BD adds any District BD priorities that are not included in the Regional Action Plan. The ADD/BD presents to the District Director the BD program priorities as the Business Development portion of the District Action Plan (DAP).

#### 7. IDENTIFYING AND COMMUNICATING PROGRAM LEVERAGING OPPORTUNITIES

In order to leverage our services it is important that BD identify various ways in which Business Development can assist in meeting small business needs and Agency program priorities through the services performed by BD resources. The AA/BD, BD ARA's and District Directors advise, inform and update their respective program area managers about the various SBA resource partners and how they can assist in program leveraging. In this role, BD personnel help other program officials integrate Agency leveraging and marketing concepts into their plans and procedures. They also provide an understanding of our resource partners' capabilities, size, locations, strengths and weaknesses, etc. At each level of the Agency, BD and other program personnel reach an understanding on how BD resources can be used in assisting to meet program and client needs.

- a. The BD ADD's and District Directors advise the ARA/BD on the ways that their resources can support activities designed to assist in meeting the needs of small business (see paragraph 6).
- b. Program Associate Administrators (AA's) submit to the Administrator for approval their program goals and priorities.
- c. With the counsel and recommendations of the BD ARA's regarding the assistance BD field resources can potentially contribute, the AA/BD confers with the program AAs to identify opportunities for complementing and supporting program priorities by involving our outside resource partners. The role of the program AA's is to find ways to implement Business Development concepts throughout program offices and to better focus available resources on demonstrated client business needs. The role of AA/BD is to assist SBA program AA's in applying Business Development principles in their program areas at all levels of the Agency. The results of such meetings will be a joint memorandum of understanding on the possible use of BD resources in a given program area.
- d. The memoranda of understanding are distributed to program ARA's including the ARA/BD from the program AA and the AA/BD.
- e. Other program ARA's and the ARA/BD review the memorandum of understanding selected by Central Office. It is recognized that not all Central Office memoranda of understanding will perfectly meet the needs at the local level. Therefore, if necessary, the ARA's and the ARA/BD may mutually agree to tailor them to more closely reflect the program priorities and the capabilities of the resources to assure the accomplishment of the program priorities at the local level. During this process, the ARA/BD serves as a technical advisor to other program ARA's so imaginative but feasible plans for leveraging SBA programs can be developed.
- f. The memoranda of understanding that best fit the needs of the geographic area covered by the Region and to the maximum extent possible reflect the National priorities are forwarded to the District Offices for review by the District Directors. The ADD/BD provides technical support to the district by advising other program ADD's about the potential application of BD leveraging assistance. The memoranda of understanding that dovetail with the district's leveraging capabilities are adopted.
- g. With the advice and guidance and concurrence of the ADD/BD, other program ADD's help prepare district MOU that will assist in meeting prioritized local needs. These District memoranda of understanding will address local opportunities for involving outside resources in SBA's mission.
- h. The memoranda of understanding adopted by the District office are then communicated to SBA resource partners through the use of resource modules.



## 8. COMMUNICATING TO SBA'S OUTSIDE RESOURCES (MODULES)

- a. The AA/BD and a team of BD ARA's review the memoranda of understanding developed at the national level. The memoranda of understanding broadly describe opportunities for involving SBA's outside resources in support of a program priority.
- b. The AA/BD designs a book of sample resource planning modules containing the most successful and innovative modules submitted by field offices during the previous year. The sample modules give our resource partners written guidance for various means of serving small business in concert with SBA. A list of "Standards of Well Prepared Resource Modules" is in Appendix 2.
- c. The sample set of modules is presented to the District Directors by the BD ARA's who provide orientation, training and guidance on the preparation process.
- d. The ADD/BD reviews the memoranda of understanding as presented to them by the Regional Office and confers with the other program ADD's to identify targeted opportunities for involving the leveraging power of the resource partners. Then the ADD/BD selects the specific sample modules or designs new ones that fit the district's resource capabilities. All sample modules are tailored as necessary to more effectively match the district's small business needs with the capabilities of its resources. It must be kept in mind that the purpose of the modules is to assure accomplishment of the program priorities.
- e. After selecting modules which support the objectives of the program priorities, the BD staff prepares modules that address unique local needs. By reviewing the District and Regional Action Plans, needs assessment studies and successful modules from around the country, the district BD team develops modules that tap the full potential of its resource partners to address prioritized local needs.
- f. Under the leadership of the ADD/BD, the BD staff matches the district's set of proposed modules with the capabilities and interest of the resources.
- g. The BD staff, led by the ADD/BD and District Director, meet with each resource leader to present and explain the opportunities for serving small business as described in the proposed modules. They negotiate with resource leaders to adopt designated modules. If necessary, they also meet with the various resource leaders as a group to explore opportunities for allocating module assignments among resources which produce greater cooperation and teamwork.

- h. When agreements on modules are reached with the resource partners, the plans become an addendum to the District Action Plan (DAP). This portion of the DAP spells out the activities the outside resources will undertake to support the district's mission. Module agreements are reached with SCORE Chapters and SBI schools based on an annual schedule issued by the AA/BD. SBDC module agreements should be concluded prior to approval of a Cooperative Agreement with the SBDC. Agreements with other entities (state and local governments, associations, etc.) should be reached at the earliest time possible from receipt of the Administrator's priorities and program memorandum of understanding.
- i. The district module agreements are reviewed by the ARA/BD to determine if the process has:
  - (1) Tapped the full potential of the resource's capabilities;
  - (2) Given specific written descriptions of service opportunities to our resources;
  - (3) Addressed the Administrator's priorities and the memorandums of understanding to the fullest extent possible;
  - (4) Demonstrated imaginative and comprehensive ways for involving BD resource partners in the many facets of SBA's mission; and, has
  - (5) Been completed in a timely manner.
- j. The ARA/BD approves the district's set of resource modules or makes recommendations for improvement.
- k. The BD staff applies its resource management skills to help the resource partners develop their potential and achieve the objectives in the planning modules. Each BDO is assigned to develop a portfolio of resource clients by assisting them with recruiting, planning, marketing, training, networking and referrals. Over a period of time, the BDO develops the district resource partners to the degree that they can make a major contribution to the Agency's priorities with a minimum of resource management needed.
- l. The BDO's and/or ADD/BD follow up, at least quarterly, on the progress each resource makes in accomplishing the plans defined in the modules. During the meetings the BDO reviews results, refines plans, addresses problems and offers support. A short progress report of the meeting is maintained in the file folder of each resource and reviewed by the ADD/BD at least semi-annually.
- m. The ARA/BD oversees the collection of "District Module Implementation Tracking Reports" in Appendix 3 and submits the information to the AA/BD by November 30th and March 30th. The ARA/BD attaches to the tracking reports a narrative analysis of each district's performance. The AA/BD analyzes the implementation progress and recommends corrective action steps where necessary.

- n. By April 30th, the BD ADD's select three most successful and/or innovative modules and forward them to their ARA/BD. Each ARA/BD selects six most successful or innovative modules in the region and submits them to the AA/BD. Central Office classifies the modules by type of activity and disseminates the material to ARA/BD's and ADD/BD's for use in preparing modules for the following year. See paragraph 8 b.

## CHAPTER 3

## MARKETING AND OUTREACH

9. INTRODUCTION

- a. Marketing and outreach are the principle processes for responding to the needs of small business and the basis for planning and implementation of programs and services necessary to meet those needs.
- b. The Business Development program is firmly embedded in the concept that marketing and outreach presents a disciplined way of meeting the needs of small business and that those needs are dictated by marketplace conditions.
- c. For BD to operate at a high level of performance, efficiency and improved productivity, it must embrace marketing concepts. The concepts begin with a comprehensive understanding of the marketplace through the efficient delivery of programs and services, to a widening set of target clients, to a feedback system which allows us to modify and enhance our products to better match market needs and resources.
- d. Marketing for the purposes of the Business Development program, includes the "planning", "product" and "price" principles of marketing. The outreach portion includes the "promotion" and "provides" principles.

10. MARKETING

- a. Planning: carrying out a coordination function to match resources and needs for both BD and other Agency program areas.
  - (1) The planning concept includes steps of needs analysis, a ranking of needs and resources, targeted goals, allocation of resources and scheduling of the distribution process and efficient delivery of products desired in the marketplace.
  - (2) BD not only attempts to complement and enhance in-house program areas in the planning process, but it is the catalyst for new program initiatives. Throughout the planning sequence, the concept of privatization and user fees governs the process to the extent permitted by law.
  - (3) The "Elements of a Marketing Plan" in Appendix 4 lists the necessary steps to be taken in developing a marketing plan.
- b. Product: programs and services provided to small businesses. BD's role is to improve and upgrade existing products, to recommend possibilities for new ones and to provide overall feedback on their delivery and status in the local markets.

- c. Price: The concept of pricing includes concerns for both cost recovery and leveraging of community-based business resources.
- d. Objectives
  - (1) Serve as the principal market sensitive arm of the Agency in identifying, assessing and targeting the needs of small business.
  - (2) Promote an Agency-wide disposition to apply a marketing oriented approach to programs and services.
  - (3) Assure that programs, services and activities developed in response to the needs of the small business clients and community are of a high quality and standard.
  - (4) Integrate market data and program feedback into the design of products supplied to the small business community.
  - (5) Increase the productivity of our delivery system by prioritizing client needs and distribution of products and estimating resource capability.
  - (6) Ensure that all marketing efforts include cost recovery strategies.
- e. Central Office Responsibilities
  - (1) With comprehensive input from field offices, small business representatives and other appropriate sources, develop a strategic marketing plan that serves as the framework for Regional and District Action Plans.
  - (2) Coordinate the Central Office program AA's involvement through the development of strategic plans which broadly outline the Business Development marketing role.
  - (3) Develop cost recovery initiatives for all BD programs, marketing services and activities.
  - (4) Monitor the small business community's assessment of SBA services and provide field offices with methods to help obtain the feedback. Measure the effectiveness of programs and services on a regular and timely basis.
- f. Regional Office Responsibilities
  - (1) With input from District Offices, outline the Regional Action Plan in concert with national priorities.

- (2) Provide clear guidance on the development of "Resource Planning Modules" at the district level and help prepare the national models of these planning tools, which are to include cost recovery measures.
- (3) Advise Central Office program AA's on local private sector market findings, regional small business needs, program recommendations and marketing support requirements of the field offices.
- (4) Assist, advise and guide districts in developing of marketing strategies and implementing of marketing plans that will assure adequate planning, professional execution, program compliance and quality products.
- (5) Analyze and evaluate the effectiveness of district marketing efforts.
- (6) Oversee the collection of feedback and recommendations from SBA resource partners such as SBDC, SBI, or SCORE.
- (7) Provide program leadership to ensure uniform, timely and successful implementation of Business Development concepts among all field offices in each region.

g. District Office Responsibilities

- (1) Develop and maintain a comprehensive understanding of the local economy, small business conditions, industry composition, leading growth entrepreneurs, small business trends and the small business support network.
- (2) Collect and maintain a concise selection of relevant information about small business conditions, trends and composition. Use the information to help determine market targets.
- (3) Negotiate, modify, analyze and integrate the overall mix of modules to ensure they match the district's needs with the capabilities and interest of BD's community-based support organizations. Assist the business support organizations with the development of their own marketing plans to ensure they mesh well with the district plan.
- (4) Assign resources to assist with prioritizing small business needs in the district.



## 11. OUTREACH

- a. Promotion: Expanding the awareness of small business clients of the services and products available. BD personnel and the community-based resources carry out promotion activities to inform and attract potential clients to SBA services.
- b. Provide: BD personnel develop an extensive resource network of community-based business support organizations and participating private sector entities to assist in the distribution of services to the community. Steps to be followed in developing a resource network of co-sponsorships are listed in "Developing A Cosponsor" in Appendix 5. The ADD/BD will ensure that there is an adequate and extensive interactive system of resources supporting the small business sector. The objectives of BD's outreach efforts are to:
  - (1) Develop a greater awareness on a national and local level of the entire spectrum of services and programs available from the Agency and its community based resources;
  - (2) Inform potential users of these services;
  - (3) Increase the awareness of for-profit organizations about the economic and public relations benefits in supporting programs for small business;
  - (4) Increase the prominence of SBA in the eyes of the private sector by "tapping" the small business markets for program delivery;
  - (5) Increase the quality and quantity of support to small businesses through greater involvement of for-profit organizations; and,
  - (6) Improve the coordination and cooperation between trade associations, chambers of commerce, other nonprofit and for-profit organizations and the for-profit sector to improve leveraging of available resources.
- c. Central Office Responsibilities
  - (1) Coordinate the promotional marketing support functions of Business Development with the Office of Public Communications so they comprise a unified team working on implementing a strategic marketing plan.
  - (2) Notify the Office of Congressional Affairs, who in turn notifies the appropriate legislative offices, about upcoming events in their districts and of any subsequent impact of the events.

- (3) Provide marketing support tools, such as public service announcements, mailing privileges, promotional films and brochures.
- (4) Develop techniques that will assist in providing programs and services to BD's target markets.
- (5) Obtain cosponsorship commitments from national organizations for Business Development programs.
- (6) Conduct regular discussions with BD ARA's to elicit unique public and private sector Business Development opportunities which have been recognized in their regions.
- (7) Develop strategies with the BD ARA's for conducting national private sector projects that support the BD marketing function. Provide Office of Private Sector Initiatives with project recommendations and follow through on implementation.
- (8) Send BD ARA's a recap of pilot projects with descriptions and results of each effort. Provide BD ARA's with a module of the most unique and/or successful projects developed in the field.
- (9) Serve as a clearinghouse for private sector concepts that are being successfully developed in the field. Provide "off-the-shelf" packages for field use if requested, including program formats, suggested speakers and marketing material.
- (10) Work with national resource leaders to facilitate and promote the privatizing transition process, whereby SBA passes its role in successful projects to resource partners or others interested in pursuing such projects.
- (11) Analyze and evaluate the effectiveness of the program as it relates to the BD mission and recommend steps to correct weakness and build on strengths. Coordinate with the Central Office organization having authority to conduct impact measurement.

d. Regional Office Responsibilities

- (1) Provide a wide range of outreach support functions to District Offices through the efforts of the ARA/PAC and ARA/BD.
- (2) Develop a regional strategy for implementing projects with private sector for-profit groups with emphasis on a coordinated approach that shows continuity among the districts. Initiate plans for private sector projects with outstanding organizations that can sponsor successful programs in all of the districts.

- (3) Review and approve district private sector projects with for-profit cosponsors and coordinate plans with region-wide cosponsors. Evaluate and critique each district's efforts to help them build on strengths and correct weaknesses.
- (4) Provide AA/BD with recommendations for innovative private sector supported pilot projects.

e. District Responsibilities

- (1) Establish key personal contacts with small business associations, chambers of commerce, advisory councils, SCORE, SBDC, etc. for "taking the pulse" of small business affairs, conditions, problems, opinions and the degree of satisfaction with SBA's services. Representative viewpoints should be obtained regularly from a broad cross section of small business sectors including: retail, manufacturing, service, wholesale, construction, high technology, emerging growth, trade associations and chambers of commerce.
- (2) Establish a manageable distribution network for informing the small business community about SBA programs. Segment the distribution network, communication vehicles and other outreach tools available to establish effective marketing methods which target potential users of SBA services.
- (3) Through active involvement in Advocacy issues, establish the district as a leading champion of small business interests.
- (4) Conduct BD team brainstorming sessions to bring innovative private sector concepts and creative ideas to the surface. Explore opportunities to deliver better quality service, fill gaps in service, generate greater leverage, complement SBA services and highlight special emphasis areas and meet pressing needs of the business community.

CHAPTER 4  
RESOURCE MANAGEMENT

12. INTRODUCTION

- a. Resource management is at the heart of Business Development. The professional skills a BDO and ADD/BD are expected to bring to the job include:
  - (1) Recruiting, developing and overseeing private and public resource organizations to provide high quality business development counseling, training and to perform various outreach services. Recruiting is accomplished selectively based upon programmatic needs to assist the business community. Developing, or enhancing, the potential of all BD resource partners is essential to their ability to provide high quality services.
  - (2) Training, motivating and rewarding BD resource partners for the assistance they are expected to provide.
  - (3) Marketing Agency programs and services to the business communities and assisting resources with marketing plans that complement and support District Action Plans.
  - (4) Negotiating and networking with private and public sector organizations to meet the needs of businesses within the community.
  - (5) Planning and evaluating program activities to ensure that businesses within the community receive quality assistance from BD resources.
- b. Although BD personnel are to possess the above qualifications, centralized training programs will be held when necessary to further address the resource management role.

13. OBJECTIVES

- a. To provide a strategic process for assisting staff and resources to be productive and successful service providers.
- b. To supply the quality and quantity of resources and services which meet the demand of the small business community.
- c. To provide a strategic process for assisting the small business community to be productive and successful service users.

14. RESOURCE SERVICES

a. Counseling

- (1) The program authority for counseling is 8(b)(1)(A) of the Small Business Act.

- (2) Counseling is one of BD's three chief service delivery mechanisms. Training and publications are the others. High quality counseling is interactive, in-depth and tailored to the individual business client. The interaction between the counselor and the client results in problem identification and solutions that respond directly to the client's needs.
- (3) The Office of Business Development works with several organizations that deliver quality counseling: Service Corps of Retired Executives Association (SCORE), which includes the Active Corps of Executives (ACE), Small Business Institutes (SBI), the Small Business Development Centers (SBDC) and selected private sector entities.

b. Training

- (1) The program authority for training is Section 8(b)(1)(A) of the Small Business Act.
- (2) Along with its counseling and publication services, BD develops, fosters, supports and encourages a wide variety of high quality training programs.
- (3) SCORE and SBDC's have provided training from their inception. In addition to these programs, BD strives to reach more clients through increasing private sector involvement. At every level, it is the priority of BD staff to conceive and develop private sector training activities. It is making the creative linkage between the identified need of small businesses and a unique training resource in the private sector that is the hallmark of the Office of Business Development's work.
- (4) All cosponsored training program development is encouraged to include a cost recovery arrangement.

15. PROGRAM RESOURCES

- a. SCORE. SCORE is the acronym for the Service Corps of Retired Executives Association which is a nonprofit corporation. ACE is the Active Corps of Executives and operates as a constituent part of SCORE. The program authority for SCORE is P.L. 85-5367, P.L. 95-510, Section 8(b)(1) of the Small Business Act. SBA and SCORE operate according to the "Memorandum of Understanding" in Appendix 6. The National SCORE Office operates under a Cooperative Agreement between SBA and SCORE.
- (1) The Program has about 12,000 volunteer members. They are retired and active business professionals willing and able to share their experience through counseling and training. Their primary goal is to improve the operation of existing small business owners and

managers, and to advise persons interested in going into business. Continued promotion of their services is vital to increasing the number of clients and maintaining a productive corps.

- (2) Volunteers are recruited to meet the specific needs of the business community and the SCORE chapter. Each job is carefully designed to match the volunteer's skills, so as to provide a meaningful experience to the volunteer and a contribution to the development of small firms. Well planned jobs lessen staff time required to supervise and improve our volunteers' efforts, quality of service, output and morale.
- b. SBI is the Small Business Institute. The program authority for SBI is Section 8(b)(1)(A) of the Small Business Act. SBI's operate according to contracts.
- (1) The SBI Program is comprised of over 500 educational institutions. A team of graduate level and at times, qualified undergraduate students, under faculty supervision provide management counseling to a small business and occasionally conduct studies on community business development topics or special projects.
  - (2) SBI student teams are trained to analyze, identify needs, motivate, encourage initiative and to impart and promote management expertise. SBI's can be a valuable source for providing needs analysis and measurements of the effectiveness of Agency programs and services.
- c. SBDC is the Small Business Development Center. The program authority for SBDC is Section 21 of the Small Business Act (P.L. 96-302 as amended). SBDC's operate according to Cooperative Agreements.
- (1) SBDC's serve as a delivery organization for providing small business development assistance and furthering economic development throughout the state or region being served. They work with state and local government programs, public and private universities, vocational and technical schools, chambers of commerce, state-chartered corporations, local small business associations, SCORE, SBI and other federally-sponsored programs.
  - (2) SBDC's provide a broad range of business development services including counseling, training and technology assistance. They also develop and disseminate public information and small business publications, conduct research and surveys and provide access to available experts in a variety of fields. Depending on local needs and resources, an SBDC may offer specialized programs such as international trade, technology



transfer and procurement and act as a local advocate for small business interests.

- d. Other Resources that participate with SBA according to program requirements and operational agreements include: chambers of commerce, business, trade and professional associations; community, junior, technical and vocational schools and colleges and universities; business, community and economic development organizations; local, state and federal governments; and other private and public for-profit and nonprofit organizations.

## 16. PROGRAM ADMINISTRATION AND RESPONSIBILITY

### a. Central Office

- (1) The Associate Administrator for Business Development (AA/BD) direct oversees the resource programs nation-wide through Central Office program managers. The Office has the authority and responsibility to: develop, establish and direct program policies, procedures, priorities and budgets; provide program advice, guidance and information to regional offices; and to conduct and request program reviews and audits.
  - (a) The Office of SBDC's (as mandated by P.L. 96-302) is managed by a Deputy Associate Administrator. The Office initiates the SBA Program Announcement, develops policy guidelines, provides proposal planning packages to SBDC's; recommends the annual program budget; establishes appropriate funding levels; participates in the proposal process to ensure program acceptability and financial necessity; provides advice, guidance and information; recommends approval and/or disapproval of the SBDC's to the Office of Procurement and Grants Management and the Office of the Administrator; and acts as the liaison between SBA and the Association of SBDC Directors.
  - (b) The Office of Business Education and Resource Management oversees the program and financial portions of SBI, and SCORE, publications and other resource programs and is the liaison between SBA and the SBI Directors Association and the SCORE.
  - (c) The Office of Marketing reviews and prioritizes the needs of small business on a national basis and develops the process for effective presentation of SBA programs and services that can meet those needs. It develops educational materials and is the Agency's focal point for assistance in designing methods that will improve outreach efforts to the small business community.

- (2) The Office of Procurement and Grants Management manages the financial portion of the SBDC Program and the National SCORE Office Cooperative Agreement. It participates in the SBDC proposal process to ensure that the proposal meets regulatory standards of federal expenditure and issues SCORE and SBDC Cooperative Agreements.

b. Regional Office

- (1) The Regional Administrator (RA) oversees resource programs region-wide through the Assistant Regional Administrator for Business Development (ARA/BD).
- (2) The Office administers program policies, procedures, priorities and budgets; provides program advice, guidance and information to district and branch offices; provides information to Central Office to assist in the formulation of BD programs; reviews and assesses program performance; ensures compliance with program requirements; conducts and requests program reviews and audits; and ensures that resource management programs are managed and administered at the District and Branch Offices.
- (3) The Office oversees the program and financial portions of the SBDC, SBI, SCORE and other resource programs; participates in the SBDC proposal process to ensure program acceptability and financial necessity; recommends approval/disapproval of SBDC's to the Office of SBDC's and is the regional liaison between the SBA and the regional representatives of the Association of SBDC Directors, the SBI Directors Association, the SCORE Association, Inc., and other resources.

c. District/Branch Office

- (1) The District Director (DD) and oversees resource programs district-wide through the Assistant District Director for Business Development (ADD/BD).
- (2) The Office implements program policies, procedures, priorities and budgets; provides information to the Regional Office and through the Regional Office to Central Office to assist in the formulation of BD programs; provides advice and guidance to all district/branch resources; reviews and assesses program performance; ensures compliance with program requirements; and conducts/requests program reviews and audits; and ensures that Agency goals and program priorities are implemented.
- (3) The Office oversees the program and financial portions of the SBI, SCORE, SBDC and other resource programs; participates in the SBDC proposal process to ensure program acceptability and financial necessity; recommends approval and disapproval of SBDC's to the Regional Office and is the liaison between SBA and the district representatives of the SBDC Directors' Association, SCORE, the SBI Directors and other resources providing counseling, training and outreach services.

17. SCORE

- a. SCORE is an SBA funded volunteer program. The volunteers are retired or active business professionals, organized by chapters located throughout the United States which are unit members of SCORE. Included in SCORE is the Active Corps of Executives (ACE) who are persons still active in business who volunteer their expertise. Individual volunteers and chapters must meet the requirements of the SCORE Standard Operating Manual (SOM) and all SBA/SCORE program requirements. Approval or disapproval of volunteers and chapters is the responsibility of SBA and SCORE.
  - b. The management capabilities of SCORE officers are to be strengthened by involving them early in all matters in which they are expected to participate. Officers of SCORE must be allowed and encouraged to assume the responsibility that goes with the job they hold. They should be involved in establishing SCORE program goals if they are to be evaluated by them.
  - c. SCORE's organization is managed by its Board of Directors and national offices, with an includes a SCORE Association, Inc., whose administrative staff housed at the National SCORE Office in Washington, D.C. To assist in carrying out policies and program goals, SCORE also has a field staff of Regional and District Representatives and Alternates and 400 Chapter Chairmen and other offices. Their selection, duties and responsibilities are defined in the SCORE SOM.
- (1) SCORE Chapters are developed as business needs dictate. The SCORE Regional Representative (RR) and ARA/BD are to be consulted when new chapters are proposed. It is not necessary to establish a chapter in every area where counseling and training is needed. It may be more advantageous for counselors to be dispersed throughout a state. Working under the auspices of an existing chapter, they can operate from their home or other local offices.
- (a) SCORE chapters are established only when the requirements and procedures in the SCORE SOM are satisfied. The ADD/BD is responsible for ensuring that the SCORE District Representative (DR) provides new chapters with the necessary start-up guidance, assistance and support.
  - (b) Chapter formation requirements are delineated in the SCORE SOM. The DR ensures that the proper papers are prepared in accordance with the SCORE SOM. SCORE chapters are discontinued in accordance with the procedures set forth in the SCORE SOM, e.g., when there is no longer a need for SCORE services, or when the chapter can no longer meet the needs in the community.
  - (c) SBA Form 1104, "SCORE and ACE Quarterly Activity Report," in Appendix 7 is used to keep an accurate list of SCORE chapters. It is submitted quarterly according to instructions on the form.

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- (d) SCORE chapters maintain a membership file on each volunteer, a membership roster, a running log of assigned cases and client case files.
- (2) SCORE officers are elected according to procedures described in the SCORE SOM.
- (3) The National SCORE Office NSO is located in Room 410, 1129 20th Street, N.W., Washington, DC 20416; telephone (202) 653-6279. It is funded and operated under a Cooperative Agreement between SBA and SCORE. The NSO is an administrative arm of SCORE. It serves the board of directors, officers SCORE chapters and individual volunteers in the areas of membership, training, recruitment, public relations and legal advice, and is a liaison with the SBA Central Office.
  - (a) The NSO gathers and maintains statistical data pertaining to SCORE operations. It administers SCORE clerical support funds and is in charge of SCORE awards and SCORE publications.
  - (b) The NSO is staffed by a full-time, paid Executive Director, administrative assistant and secretary and three volunteer directors. Housing and living expenses are provided to each volunteer director. The SCORE General Counsel and Associate are located in the NSO.

d. Recruitment

- (1) Recruitment is a joint responsibility of the ADD/BD and the SCORE Chapter Chairman. The SCORE Recruitment Manual provides guidance on recruitment techniques.
- (2) SCORE chapters are to recruit volunteers with administrative and management backgrounds and clerical experience to support chapter activities as counselors and trainers. ACE counselors and trainers are recruited on the same basis. The volunteers are recruited only if their skills are needed and will be used.
- (3) Training of SCORE volunteers is to receive high priority. SCORE volunteers have a right to be trained for the job they are expected to do. The ADD/BD ensures that training is provided and that a substantial part of every chapter meeting is devoted to the updating of volunteer skills.

e. Membership Procedures

- (1) An applicant must have the level of experience and knowledge needed, a reputation for integrity and be willing to devote an agreed upon length of time to SCORE activities.

- (2) Good character is a fundamental requirement for membership. Applicants generally will not be approved if: recently convicted of a pertinent misdemeanor or felony; on probation or parole or if probation or parole was lifted solely because it is an impediment to joining SCORE; criminal cases are pending against them; or if repeated charges reflect an undesirable pattern of behavior.
- (3) The applicant is interviewed and screened by the Chapter Chairman and agrees to adhere to the SCORE Code of Ethics listed in Appendix 8.
- (4) The applicant completes SBA Form 610, "Application for Membership", which can be ordered from the SBA Warehouse. It is reviewed and approved by the ADD/BD and forwarded immediately to the SBA Central Office SCORE Program Manager for clearance.
- (5) The ADD/BD is not notified of a clearance unless a problem arises. Clearance problems are handled by SBA the SCORE Program Manager on a case-by-case basis.
- (6) It takes the Department of Justice 90 days to complete the clearance process. This time is used as a training period to ensure that the applicant understands the mission and organization of SCORE and SBA, his or her responsibilities and the standards of quality and professionalism expected. A SCORE membership card may be issued after the 90-day clearance period. The cards are available from the SBA Warehouse.
- (7) The ADD/BD and DR are to ensure that all volunteers are working members who are performing quality assistance and that the job they are doing is meaningful to them. Membership qualifications, performance and participation are reviewed semi-annually to give inactive members an opportunity to resign.
- (8) A member may be dropped for reasons of poor performance, failure to conform to the Code of Ethics, or for reasons in the best interest of SCORE or the Government. If, after consultation among the Chapter Chairman, DR and ADD/BD, it is agreed that the member should be dropped, he or she is notified in writing of the decision and requested to return the membership card to the ADD/BD.
- (9) Members suspected of violating any condition listed in the Code of Ethics are to be given an opportunity to answer the charges. Substantiated charges may necessitate the removal of the volunteer from membership. Procedures for handling alleged violations and other grievance situations are handled in accordance with the SCORE SOM.

f. Administrative Support

- (1) Office Facilities. SBA field officials, together with SCORE members are to make every effort to find suitable office space in SBA field offices or from chambers of commerce, county and state governments, etc. If unsuccessful in locating one of these sites, office space, and equipment supplies may be acquired as authorized by GSA and outlined in SOP 00 15.
- (2) Telephones. The Federal Telecommunications System (FTS) may be used only for official telephone calls from SBA offices or otherwise arranged. If FTS is not available, a record of all official calls is submitted to the ADD/BD for approval and reimbursement.
- (3) Supplies. Penalty envelopes and stamps, special contractor mailing envelopes and standard office supplies and equipment are furnished to the volunteers for official SCORE business.
  - (a) Appropriated funds are not to be used to pay an outside printer to print business cards, stationery, or envelopes.
  - (b) Letterhead stationery may be printed by GPO with "SCORE" if followed by "A Program Sponsored by the Small Business Administration." Sample copies of the SCORE logo are obtained from the National SCORE Office.
  - (c) Penalty mail is used only for official SCORE business and in the conduct of SCORE chapter operations. SCORE chapter addresses may not be used on penalty mail envelopes as the return address unless located in a federal facility, or is otherwise authorized. Refer to SOP 00 10 regarding use of penalty mail.
- (4) Publications. SCORE has a continuous need for SBA publications useful to its work. Since SCORE assists SBA to fulfill its programs, SBA publications are made available for SCORE program activities.
- (5) Clerical Support. Clerical assistance is to be provided in SBA District Offices whenever possible. If not available, the Chapter Chairman is to recruit volunteers into the chapter who can provide clerical support. SBA also provides substantial funding for clerical assistance through its Cooperative Agreement with SCORE. Allocation of these moneys is done by the SCORE officials down to the chapters.
- (6) Awards. BD personnel have a large role to play in properly recognizing the volunteers for the time they devote to strengthening the small business economy. The form of recognition should be one that is meaningful to the volunteer. In addition to recognition by SBA SCORE provides their own pins and awards which are handled by the National SCORE Office.



- (7) Grievances. SCORE's SOM has a procedure for the handling of various grievances brought by SCORE members, officers and chapters. SBA local officials may become involved in determining these grievances under those procedures. Grievances brought to SBA offices should be brought to SCORE attention.
- (8) SCORE Member Liability and Injury. The SBA statutory law provides that SCORE's volunteer members are to be treated like federal engaged in SCORE work. The forms used by SBA employees are to be used for SCORE members to report and submit claims for personal injury or death. The SBA law also considers SCORE volunteers as federal employees when third persons allege they were harmed by a SCORE member's negligent or wilful behavior while on SCORE work. The Federal Tort Claims Act applies to these incidents. Also, the law permits SBA to pay for insurance policies to protect SCORE members from liability not covered under the Tort Claims Act and to pay for legal help needed to defend SCORE members from liability claims. SCORE has a liability policy.

g. Budgetary Support

- (1) The SBA budget for SCORE operations supports SCORE field travel, National SCORE Office operations and clerical support for SCORE chapters. The SCORE field travel budget is to be used exclusively to reimburse SCORE volunteers for their counseling and training activities and to attend meetings which the SCORE Regional Representative considers essential to the SCORE management goals of the Agency. SCORE travel funds are not to be diverted to other program areas.
- (2) Together the ARA/BD, SCORE RR and Regional Budget Officer determine the required funding level to support SCORE activities in the region. The SBA SCORE Program Manager, working with the SCORE Treasurer, reviews and recommends the budget allocations.
- (3) The ARA/BD works with the SCORE RR in planning and monitoring SCORE travel in the region. All expenditures charged to SCORE budgetary accounts are monitored quarterly by the ARA/BD and ADD/BD in cooperation with the SCORE RR and DR. Discrepancies are brought to the attention of SBA's SCORE Program Manager.
- (4) The RR plans the SCORE district budget and provides the necessary information to the ARA/BD and Regional Budget Officer. The ARA/BD ensures that each district is given a proportionate share of travel funds for client counseling, training programs and SCORE chapter meetings.
- (5) Funds needed for administrative support are absorbed through the District Office operating budget or training program fees if appropriate. Purchases of equipment and material by the volunteers from monies allocated to administer the Program require prior approval from the ADD/BD.

- (5) Funds needed for administrative support are absorbed through the District Office operating budget or training program fees if appropriate. Purchases of equipment and material by the volunteers from monies allocated to administer the Program require prior approval from the ADD/BD.
- (6) Travel expenses are paid in accordance with SBA travel regulations (SOP 20 11 2). Volunteers are not authorized to use GSA motor pool vehicles.
- (7) Reimbursement for travel may be approved for SCORE and ACE travel for counseling and training activities and to attend regional, district, or monthly chapter meetings.

#### 18. SMALL BUSINESS INSTITUTE

- a. SBI is an SBA funded contract program. SBI's are represented by the SBI Directors' Association. An SBI school must have an SBI Director to administer the Program. Individual colleges or universities must meet the requirements of SBA Form 1092, "School Selection Criteria" in Appendix 9, the SBA contract and Program requirements in the SBI "Statement of Work" in Appendix 11. Approval and disapproval of SBI schools is the responsibility of the ARA/BD.
- b. SBI offers practical business experience to students, business and community involvement to faculty and service to the small business community. SBI funds are used exclusively by SBI schools, at \$400 per SBI case report, for services to be satisfactorily provided to the clients. SBI funds are allocated annually from Central to Regional to District offices. Upon approval by the ADD/BD and the ARA/BD, a contract is issued.
- c. SBI's are to provide a high level of performance and worthwhile programs with measurable results in their management counseling services. BD guarantees to the client a quality service from the SBI program. The client is the judge and it is the client's judgement that forms the basis for the ADD/BD's decision whether or not the contract has been fulfilled.
  - (1) SBI schools submit case reports and invoices to the ADD/BD who is responsible for reviewing and analyzing the reports. If the reports and invoices are unacceptable, the ADD/BD returns them to the SBI Director.
  - (2) If the reports and invoices are acceptable and approved by the ADD/BD, based in large part on client assessment, they are distributed as follows: ADD/BD retains original SBI report and copy of invoice and sends the invoice to the ARA/Administration. The ARA/Administration retains a copy of invoice with ADD/BD's approval and sends the original invoice, with ARA/Administration's approval, to the SBA Fiscal Office.

All records of SBI contracts and all records of counseling and outreach services must be maintained by SBI schools.

- d. The "Outstanding SBI Case Award" process and the contract process for SBI schools are issued as separate SBA Notices.

#### 19. SMALL BUSINESS DEVELOPMENT CENTERS

- a. The strength of the SBDC program is its ability to foster, develop and maintain partnerships with the academic community, participating community-based support organizations, the private sector and local, state and federal government agencies. While national program operation is governed by the SBDC Act (as amended), annual negotiations between District Offices and academic or state level entities structure the Cooperative Agreements that govern the operation of each SBDC. SBDC's must meet the requirements of the SBDC Program Announcement, the SBA Cooperative Agreement and all other SBA/SBDC program requirements.
- b. SBDC's are administered by a full-time director appointed by the sponsoring organization. SBDC's enter into subcontracts with other organizations throughout the state. These participating organizations are referred to as subcenters. Statewide program sponsors vary and include public and private universities, community colleges and state economic development organizations. The administrative responsibilities of the SBDC Program Control (or lead) Center are as follows:
  - (1) Negotiating the annual proposal with the SBA District Office; preparing and submitting the SBDC proposal on a timely basis; initiating and preparing modifications to the Cooperative Agreement; monitoring the performance of SBDC subcenter operations; and,
  - (2) Orientating and providing guidance to SBDC subcenters; conducting periodic programmatic and financial reviews; gathering client assessments and impact information; and managing the program for optimum benefit to the small business community.
- c. SBDC's are represented by the Association of Small Business Development Centers (ASBDC).
- d. SBDC funds are used exclusively and matched with non-federal funds, for counseling, training and various outreach services to be satisfactorily provided to the small business community. SBDC's are funded on an annual basis. Central Office SBDC issues an SBDC Proposal Planning Package detailing program and financial requirements. SBDC's in cooperation with the District Office and participating organizations, prepare an SBDC proposal. Upon approval of the District Office, Regional Office and Central Office SBDC and

Office of Procurement and Grants Management (OPGM), a Cooperative Agreement is issued. A flowchart which explains the annual renewal process is in Appendix 12.

- e. Overall program management responsibility rests with SBA at its various organizational levels. Implementation of the program upon completion and approval of the annual Cooperative Agreement rests with the SBDC State Director. SBDC's are accountable to their sponsoring organizations and to the SBA District Office. Refer to "SBDC Policy Guidelines" (8/1/85) for specific roles, responsibilities, accountability and authority of SBA and SBDC personnel.
- f. SBA Project Officer. The Office of Procurement and Grants Management officially designates an SBA official to serve as the Project Officer for the SBDC.
  - (1) Project Officers are responsible for negotiating, reviewing and recommending approval or disapproval of the SBDC proposal. They have full authority and responsibility to question specific elements of the SBDC proposal, both programmatic and financial and to request further documentation if necessary to ensure a proper analysis.
  - (2) Project Officers shall ensure that SBDC's are aware of all policy and legal decisions affecting programmatic and financial aspects of the proposal and operation of the SBDC Program.
  - (3) Project Officers are responsible for ensuring that SBDC's have received prior approval from the Office of Procurement and Grants Management before making significant changes to an existing Cooperative Agreement. The changes require the approval of the Regional and Central Offices. Project Officers shall ensure that the Office of Procurement and Grants Management is notified when major purchases of equipment are made by the SBDC.
- g. Monitoring Responsibilities
  - (1) SBA Project Officers shall review and assess, at least quarterly, overall activities of the SBDC and selected SBDC subcenters to ensure implementation of the Cooperative Agreement and effective program operation. Periodic sampling methods should be used to review adequacy and effectiveness of counseling and training activities, as well as SBDC progress in accomplishing other performance objectives.
  - (2) Monitoring shall include, but not be limited to: determining if established SBDC review procedures and internal controls are adequate; reviewing client files to ensure proper documentation and conformance with instructions; reviewing and analyzing

programmatic and financial reports; comparing actual accomplishments with proposed performance objectives; assessing SBDC resource development and utilization; recommending specific actions for strengthening the program; reviewing client SBA Forms 20 "National Training Participation Evaluation Questionnaire" and 1419 "SBDC Counseling Evaluation" to determine assessments of SBDC services; and assessing incorporation of BD modules agreed to by SBA and the SBDC.

- (3) SBA Project Officers shall discuss all results/findings with the State SBDC Director (refer to Reporting Requirements below). Project Officers are responsible for following up on all program reviews, including Central Office reviews and on-site reviews, to ensure corrective action is taken.

g. Multiple District Office Procedures

- (1) The District Office in which the lead SBDC is geographically located shall have primary responsibility for SBDC negotiations and oversight activities. Any departures from this policy shall require Regional and Central Office approval.
- (2) The primary District Office will have a direct line of communication with the lead SBDC. However, that office shall ensure coordination with other SBA District and Branch Offices when SBDC subcenters are located within the geographical boundaries of more than one SBA office. For all MIS transactions, the location code for the SBDC will be the location code of the District Office with primary responsibility.

h. Reporting Requirements

- (1) SBDC's are required to submit quarterly and annual program and financial reports to the SBA Project Officer. The SBA Project Officer is responsible for reviewing and analyzing the reports and preparing a monitoring statement assessing SBDC performance. If the reports are unacceptable, the Project Officer returns them to the SBDC Director.
  - (a) If the reports are acceptable, they are distributed as follows: Program Reports from SBA Project Officer through ARA/BD, with original to the Office of Procurement and Grants Management, Central Office (Room 219), copy to Office of SBDC's Central Office (Room 317), copy for ARA/BD and one copy retained for Project Officer files. Financial Reports (S.F. 269 "Financial Status Report" and S.F. 272 "Federal Cash Transaction Report") from SBA Project Officer with original to Office of Accounting Operations - Fiscal Branch Central Office (Room 404), copy to Office of Procurement and Grants Management (Room 219) and one copy retained for Project Officer files.

- (b) SBA Project Officer signs, dates and stamps all three copies of the S.F. 269 with the following: "Recipient's performance for the period indicated in this report has been in conformance with requirements of the Cooperative Agreement." Signature of the Project Officer represents a judgmental evaluation that the SBDC has complied with the above from a programmatic rather than financial standpoint. All records of SBDC Cooperative Agreements and all records of counseling, training and outreach services must be maintained by both the lead SBDC and their subcenters.

- (2) The Agency shall conduct a Small Business Development Center Program Onsite Review of each SBDC at least once every two years.

j. SBDC Audit Requirements

- (1) Financial audits are requested by the Office of Procurement and Grants Management and forwarded to the SBA Office of Inspector General. This is normally done every two years. Audits will also be requested at the end of an SBDC's project period.
- (2) Program audits are requested by the Office of SBDC's and forwarded to the Office of Inspector General. This is normally done every two years.
- (3) Audit requests originating from SBA District or Regional Offices require Central Office approval.
- (4) New SBDC's are subject to a pre-award audit if the Federal funding level is \$100,000 or more. The pre-award audit determines if the prospective SBDC has an acceptable accounting system for segregating SBDC costs, reviews the accuracy of indirect cost rates and ensures that the costs proposed are reasonable.

k. SBDC Conflict Resolution

- (1) Program conflicts will be addressed by established policy (refer to SBDC Policy Guidelines, "Conflict Resolution Policy").
- (2) Financial conflicts will be addressed by the Grants and Cooperative Agreement Disputes Resolution Committee (refer to SBDC Cooperative Agreement).

- 1. Further guidance is provided in the Glossary of Terms in Appendix 12 and the SBDC OMB Circulars listed in Appendix 13.

## 20. SMALL BUSINESS TRAINING PROGRAMS

- a. BD training resources are leveraged through cosponsorship. The outside institution or organization taking primary responsibility for conducting and financing a training session is referred to as the cosponsor.
- b. Cosponsors are organizations such as local educational institutions, community and junior colleges, continuing education divisions and business administration departments of colleges and universities; chambers of commerce; business, trade and professional associations; business development groups; and local civic action groups; service clubs; for-profit and nonprofit organizations; SCORE Chapters, etc.
- c. The development of cosponsorships is addressed in Chapter 3.
- d. There are four basic types of cosponsored training.
  - (1) Prebusiness Workshops are one-day's length, typically 6 to 8 hours. They may also include multiple-session night programs if attended by the same participants. Traditionally, the vehicle for providing prebusiness workshops has been the SCORE organization and every effort should be made to use this resource to the extent possible.
    - (a) Mandatory topics include: forms of business organization, recordkeeping, financial factors, marketing and sales promotion, business regulations, taxes and sources of capital. Participants must also be provided with any relevant information regarding additional sources of small business assistance.
    - (b) Prebusiness workshops are to offer the attendees an opportunity to meet with community based counselors to sign up for follow-up counseling.
  - (2) Management Training Conferences consist of training at which small business management subjects are taught to a group of small business owners or managers. The training may last one day or several; however, it must be less than eight hours in length or be classified as a "Training Course."
  - (3) Management Training Courses consist of a series of training sessions at which business management subjects are taught to the same group of small business owners or managers. This training may occur in one day or over a number of days or weeks; however, it must be eight or more hours in length.
  - (4) TV Management Training consists of a management training session or a series of training sessions of approved management subjects presented on television.

- e. The training program announcement, brochure and agenda used with cosponsorships must be approved by SBA and must show SBA prominently as a cosponsor and contain a statement indicating support by SBA whenever possible. Upon the commitment of SBA to the cosponsorship, the event is to be placed on the training events calendar.
- f. Names and addresses of attendees at SBA sponsored and cosponsored activities must be available for at least 12 months following the activity.
- g. SBA penalty mail may be used if SBA is shown as a cosponsor of the training program. Regions must exercise prudent supervision of the use of penalty mail by their offices to avoid inappropriate or illegal use. SBDC's are prohibited from using SBA penalty mailing privileges.
- h. Certificates of award may be presented to cosponsoring organizations. Awards may not be made to an individual. The certificates may be ordered from the SBA warehouse.
- i. Attendee Fee Levels  
RESERVED.





## CHAPTER 5

## SPECIAL PROGRAMS

21. INTRODUCTION

Emphasis is focused on segments of the small business community through special program offices. The Offices of Veterans Affairs and Women's Business Ownership are important components of Business Development.

a. Veterans Affairs Program

- (1) Congress established the Small Business Administration veterans program in 1974 when it mandated that the SBA, "in all its programs give special consideration to veterans, their dependents and survivors." The Congress expanded the program by creating a direct loan fund for exclusive use of Vietnam-era and disabled veterans in 1983.
- (2) The Veteran's Affairs Program provides veterans with the incentive, training, background, guidance and encouragement to establish or maintain themselves as successful small business owners. The program is designed to assist veteran business owners develop management expertise and other skills to compete effectively in the nation's economic system.

b. Women's Business Ownership Program

- (1) The program helps to provide women with the incentive, training, background, guidance and encouragement required to establish or maintain themselves as successful small business owners.
- (2) As a catalyst and an advocate, the program helps to make women aware of the resources and services available to them in their local communities.

22. OBJECTIVESa. Objectives of the Veterans Program

- (1) To provide veterans with training and counseling and familiarize veterans with SBA programs and the potential benefits to them;
- (2) To facilitate cooperation between the SBA office and local government and non-government offices and organizations having direct interest in veterans' business affairs;
- (3) To assist veterans in obtaining contracts from the Government;

- (4) To make veterans aware of SBA's ability and desire to help through local media campaigns;
- (5) To assist veterans in applying for loans within the criteria established for prudent loan making; and
- (6) To seek means to offset federal costs of the veteran's program to the extent practicable.

b. Objectives of the Women's Business Ownership (WBO) Program

- (1) To work with intra-agency program areas to ensure that they consider women's business ownership;
- (2) To perform an advocacy coordinating role for women in business at SBA, with other federal agencies and in the private sector;
- (3) To provide technical support for others working toward the goal of improving the general business environment for women business owners;
- (4) To facilitate partnerships with private sector and non-Federal organizations to promote and strengthen the development of women-owned businesses; and
- (5) To adopt cost recovery practices for the Business Development programs, services and activities.

23. RESPONSIBILITIES

a. Central Office

- (1) The Office of Veterans Affairs will:
  - (a) Develop and coordinate a national program to increase the number and success of veteran-owned businesses through maximum utilization of existing government and private sector resources;
  - (b) Foster, create and encourage private sector resources to assist in the program's objectives and fundings;
  - (c) Develop national policy, plans, operating procedures and standards for the program ensuring integration into blueprints and modules to minimize inconsistent field workloads and to improve the Agency's responsiveness to the needs of veterans in or contemplating business ownership;
  - (d) Establish reporting requirements which are incorporated into the Business Development program report mechanism;

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- (e) Research and evaluate the special program needs of veterans and develop and test ways of meeting veterans' business needs;
  - (f) Cooperate with Federal, State and local governments to maintain a free flow of information at all levels of government;
  - (g) Serve as principal liaison with business, educational, philanthropic, organizational and community resources to assist in the growth and development of veteran-owned business;
  - (h) Coordinate the specific roles and level of effort to be expended by each SBA Central Office program to implement the Agency's veterans program; and
  - (i) Develop and maintain a database of statistics pertinent to veteran business ownership.
- (2) The Office of Women's Business Ownership will:
- (a) Develop and coordinate a national program to increase the number and success of women-owned businesses;
  - (b) Foster, create and encourage private sector resources to assist in the development of women-owned businesses;
  - (c) Develop policy, plans, operating procedures and standards to effectively strengthen and improve the Agency's responsiveness to the needs of current or potential women business owners;
  - (d) Establish reporting requirements which are incorporated into the Business Development program report mechanism;
  - (e) Research and evaluate the special programmatic needs of current or potential women business owners and develop and test ways of meeting them;
  - (f) Provide support to the Inter-agency Committee on Women's Business Enterprise in fulfilling its mandate to promote, coordinate and monitor federal efforts on behalf of women business owners;
  - (g) Work with federal, state and local governments to ensure that they consider women's business ownership in their program areas; establish and maintain a free flow of information in both directions;

- (h) Serve as principal liaison with business, educational, philanthropic, organizational and community resources to assist the growth and development of women-owned businesses;
- (i) Coordinate SBA Regional and District Office efforts in behalf of the WBO Program;
- (j) Coordinate the specific role and level of effort to be provided by each program in the Central Office and the field; and,
- (k) Collect and maintain a database of statistics pertinent to women owned businesses.

b. Regional Office

- (1) The Regional Veterans Affairs Officer will:
  - (a) Oversee the development and coordination of a regional program to increase the number and success of veteran-owned businesses through maximum utilization of existing government and private sector resources;
  - (b) Coordinate with appropriate regional SBA staff responsible for specific program areas to assure full access of veteran business owners to all SBA programs; and
  - (c) Provide program guidance to district VAO's and monitor their activities.
- (2) The Women's Business Ownership Coordinators will:
  - (a) Develop and coordinate a regional program to increase the number and success of women-owned businesses through maximum utilization of existing government and private sector resources;
  - (b) Research and evaluate the special program needs of women business owners and develop and test ways of meeting these needs;
  - (c) Coordinate with appropriate regional SBA staff responsible for specific program areas to assure full access of women business owners to all SBA programs; and,
  - (d) Provide program guidance to district WBO designees and monitor their activities.



c. District Office

(1) The District VAO will:

- (a) Develop and coordinate a district program to increase the number and success of veteran-owned businesses through maximum utilization of existing government and private sector resources;
- (b) Maintain a district-wide profile on veteran business owners, local resource assistance and special activities available to veteran business owners; including a schedule of seminars, workshops, conferences, promotional events, hearings and other informative meetings related to small business in general or veteran business owners in particular;
- (c) Develop, implement and coordinate veteran program outreach and promotion efforts in the district;
- (d) Assure that each Assistant District Director and the staff receive adequate training in the program and that it is fully implemented in the District Office;
- (e) Serve as principal liaison with business, educational, philanthropic, organizational and community resources to assist the growth and development of veteran-owned businesses; and
- (f) Research and evaluate the special program needs of veterans and develop and test ways of meeting veterans' business needs.

(2) District WBO representatives will:

- (a) Develop, implement and coordinate WBO Program outreach and promotion efforts in the District;
- (b) Maintain a district-wide profile on women business owners, local resource assistance and special activities available to women business owners; including a schedule of seminars, workshops, conferences, promotional events, hearings and other informative meetings related to small business in general or women business owners in particular;
- (c) Involve SBA in women business owner activities in local and state government and private sector organizations;

- (d) Maintain familiarity with all SBA programs and coordinate with appropriate district SBA staff responsible for specific program areas to ensure full access of women business owners to all SBA programs; and,
- (e) Assure that each Assistant District Director and the staff receive adequate training and that the Women's Business Ownership Program is fully implemented in the District Office.

## CHAPTER 6

## SUPPORT SERVICES

30. INTRODUCTION

Practical and specific information in the field of small business development or expansion can be an important factor in business success. Providing present and prospective small business owners with specific, pertinent and current written information on vital topics that develop, improve, or enhance management expertise is a major goal of the Office of Business Development (OBD).

- a. As BD personnel carry out the information and support services functions, they ensure that the development and distribution of the information is provided ultimately at no cost to the taxpayer and at a minimum cost to the individuals receiving the information. Through increased private sector involvement and the initiation of user fees, SBA plans to achieve this objective.
- b. In the past, the public has paid for Business Development Booklets ordered through the Government Printing Office. However, in 1985, Business Development began charging a small user fee for pamphlets distributed to the general public through the SBA distribution center in Ft. Worth.
- c. Business Development encourages the private sector to provide technical and financial support for the publication resources. By engaging volunteer, expert authors from private industry and universities throughout the country, OBD prepares quality publications at virtually no cost to the taxpayer.
- d. BD publications are in the public domain and as such, may be reproduced privately in any quantity. However, the publications may not be altered in any way that implies SBA approval of any private organization, product, or service.

31. OBJECTIVES AND MISSION

- a. To understand the management information needs of the small business community.
- b. To develop, produce and distribute publications that satisfy the information needs of the small business community.
- c. To evaluate and revise existing publications to ensure that the best possible, most current management information is available.



- d. To promote the distribution and use of small business management publications.
- e. To collaborate with community-based businesses and organizations to verify the appropriateness and completeness of the publications and to encourage the increased use of the information.
- f. To advance the goal of establishing a self-supporting publications program by expanding the scope of the fee payment policy and by planning and encouraging increased private sector involvement to include not only the development or revision of publications but also to cover printing, distribution and promotion costs.
- g. To monitor and evaluate all development, production, distribution and fee payment procedures to ensure efficient and cost effective methods and procedures.

### 32. PROGRAM RESPONSIBILITIES

#### a. Central Office

- (1) The Associate Administrator for Business Development (AA/BD) establishes agency policy by issuing procedures for the publications program.
- (2) The Office of Business Education and Resource Management (OBERM) is responsible for developing, updating, producing and distributing the Business Development Pamphlets and Booklets. The Office monitors the distribution and fee collection process and evaluates the quality and completeness of the BD publications.
- (3) The Office of Marketing initiates and coordinates private sector involvement and promotes the use of BD publications.

#### b. Field Office Responsibilities

- (1) The Regional, District and Branch Offices provide feedback to the Central Office on the quality of the BD publications. They determine the proper use of these materials in the field and ensure that they are ordered and distributed efficiently and according to the procedures described below.
- (2) The field offices also assist in distributing a variety of other publications, including several produced by the Office of Public Communications (OPC) and the Office of Advocacy (Advocacy).

33. PROGRAM ADMINISTRATION

- a. Ordering and Distributing Business Development Pamphlets. The procedures for SBA offices ordering BD pamphlets for their own use are different from the procedures to be followed by the general public and SBA's resources and cosponsors. User fees are charged for pamphlets distributed to the public through the Fort Worth distribution center. A complete listing of publications is contained in Appendix 15, paragraph 21. \*
- (1) Orders of Pamphlets by General Public. A processing fee of \$ .50 is charged for pamphlets distributed through the distribution center in Ft. Worth, TX. The 115A and 115B order forms are free.
  - (a) Individuals send the 115A order form and processing fee to the Collections Activities Branch in Denver, Colorado. The Denver office collects and records payments for pamphlets and sends the order forms to the Fort Worth distribution center. The Denver office processes checks, money orders and cash, but does not accept purchase orders. Although GPO accepts VISA and Mastercard, SBA may not accept credit payments.
  - (b) The Denver Office is the only SBA Office authorized to accept money for pamphlets. If any offices inadvertently receive payment, the order form and payment should be sent to the Denver Office, not Ft. Worth.
  - (c) As required by Congress, the money collected through this program is turned over to the general Treasury.
- (2) Orders of Pamphlets by SBA Offices. SBA Regional and District Offices are the primary distribution control in the field. They authorize free distributions to BD resources for meetings, conferences, etc. SBA field offices are to keep free distributions to a minimum. For official field and resource use and stock replacement, field offices and resources may order up to 500 copies per title directly from the SBA Warehouse on SBA Form 2. Orders greater than this amount should be sent to the Office of Business Education and Resource Management for approval.

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- (c) For use by a resource when pamphlets are valued at more than \$300. Field offices fill out SBA Form 2 with a justification and send it to BD, Room 317, 1441 L Street, N.W., Washington, D.C. 20416 for approval.

(3) Distribution of Pamphlets and Order Forms to the General Public by SBA

- (a) Phone and Letter Requests. Form 115A is to be sent to individuals who call or write for pamphlets.
- (b) Walk-in Requests. Up to three pamphlets (one copy per title) may be given to individuals who walk into the office. Additional publications must be ordered using 115A.
- (c) Counseling and Training Guidelines. During counseling or training sessions, the field and our resources may give each individual one copy of the pamphlets that are related to the topics being discussed. However, they should keep the unnecessary distribution of free publications to a minimum and encourage the use of form 115A to order publications.
- (d) Forms 115A and 115B. Any reasonable number of these order forms can be distributed free of charge.

b. Ordering and Distributing Business Development Booklets

- (1) Orders of Booklets by General Public. Individuals and private organizations may purchase any quantity directly from GPO. They are to send Form 115B and payment to the address on the form.
- (2) Orders of Booklets by SBA Offices. SBA field offices order booklets for their own use and for official use by our resources (SCORE, SBDC, chambers of commerce, etc.) as follows. Allow at least three weeks for delivery.
  - (a) Orders Up to \$100 in Value. The field offices order the booklets by completing Form 2 with a justification and sending it to the SBA Warehouse. If the order exceeds \$100 in value, the Warehouse sends it to the Office of Marketing in the Central Office for approval.
  - (b) Orders Exceeding \$100 in Value. The field office sends Form 2 with a justification to Business Development, Office of Marketing, 1441 L. St., N.W., Washington, D.C. 20416 for approval. The form will then be sent to the Warehouse.

(3) Distribution of Booklets to the General Public

- (a) Phone, Letter, or Walk-in Requests and Counseling. Booklets should not be given away in these situations. Provide a Form 115B.
- (b) Training and Conferences Guidelines. The field and our resources may distribute one copy per individual; however, the cost of the booklet must be recovered through course or conference fees.

c. Procedures For Ordering and Distributing Other Publications. Other publications distributed by BD (not on Forms 115A or 115B and not training material) are ordered and distributed as follows:

- (1) One to Five Copies per Title. Field offices may give up to five copies to individuals or groups.
- (2) Six to 50 Copies per Title. Field offices complete Form 2 to request six to 50 copies per title for an individual, private group, SBA resource, or cosponsor. No justification is needed. They send the form directly to the SBA Warehouse. Individuals and private organizations (non-cosponsors) are not to be given over 50 copies per title of these other publications.
- (3) More than 50 Copies per Title. Field offices should fill out Form 2 with a justification and send it to the office that produced the publication for approval.

d. Procedures For Ordering Audiovisual Materials

- (1) The distribution of SBA training films is no longer made by the Office of Business Development. That function was transferred to the National Audiovisual Center (NAC), National Archives and Records Administration, Information Services Branch, 8700 Edgeworth Drive, Capital Heights, Maryland 20743-3701; telephone: (301) 763-1896 or FTS 763-1896.
- (2) The NAC is the central clearinghouse and distribution point for all Federally-produced audiovisual materials. It has access to over 8,000 titles covering a wide range of topics. Not only may 16mm films be ordered, but many film titles are available in 3/4" video, beta 2 video, or VHS video as well. They may be rented or purchased from the Center. An option to preview the films is also offered.
- (3) A "Media Resource Catalog" is available free of charge from the National Audiovisual Center. All SBA-produced films distributed by the Office of Business Development are available from the NAC. Because the Center carries so many film titles, it is not

feasible to list every one in the catalog. Therefore, if a film is needed on a particular subject area for which there is no listing, the NAC should be contacted.

- (4) SCORE chapters, SBDC's and SBI's may order a catalog from the National Audiovisual Center. Our resource partners and other cosponsoring organizations will be able to order films and videos directly from the NAC without having to go through the district office.
- (5) There are numerous films and videos on small business topics already available from commercial sources and they, of course, should be used to complement training events. They may be obtained from public libraries, video stores and commercial film houses such as Beacon Films, etc.

## CHAPTER 7

## RECORDS AND FILES

34. INTRODUCTION

- a. It is important to know what difference Business Development programs make on our small business clients in order to formulate Agency management decisions.
- b. BD can employ a number of measurement approaches from monitoring economic impact to collecting unsolicited cards and letters from clients. Records and surveys are maintained at the district level on counseling and training activities as are files of letters and significant newspaper stories on BD efforts.
- c. BD training and counseling programs will be evaluated based on the client's perception of the assistance received and in certain cases, the economic impact that resulted (e.g. growth in sales, employment and profits).

35. OBJECTIVES

- a. To assure that BD counseling and training activity is accurately reflected in the Management Information System (MIS).
- b. To establish responsibility for the maintenance and control of client activity.
- c. To maintain consistency and uniformity of reporting in all offices.
- d. To ensure resources receive credit for their efforts.
- e. To account for the number of users of BD services.
- f. To determine the type of clients served and the geographic area covered.
- g. To measure the activity of our resource partners in meeting the needs in the small business communities.

36. RESPONSIBILITY

- a. Central Office. The AA/BD ensures that the field is informed about procedures and policies which affect the maintenance of client files. The AA/BD maintains a liaison relationship with the designated Central Office program area responsible for program evaluation and planning.

- b. Regional Office. The ARA/BD is responsible for conducting the BD Computerized Internal Control Review (CICR) of District Office resource management files. The ARA/BD determines the quality and extent of outreach services provided by the resources through random samplings of resource files. The ARA/BD acts as a liaison with the Office of the AA/BD and the district/branch offices.
- c. District Office. As resource managers, the BD staff ensures that resource partners maintain client files and business training reports. District BD staff maintain a file for each resource partner to document resource management activities. The ADD/BD is responsible for the accurate entering of all MIS data into the reporting system.

### 37. RESOURCE COUNSELING RECORDS

- a. BD resource partners maintain a counseling file on each client counselled. The client file contains:
  - (1) A completed SBA Form 641, "Request for Counseling" that is executed before counseling begins; and
  - (2) SBA Form 1062, "Business Development Counseling Record" that documents the counseling the client received.
- b. Small Business Institute Reports
  - (1) Immediately after the first SBI counseling contact is made, a single SBA Form 1062 is completed. At the conclusion of the counseling activity, the total number of subsequent counseling sessions is reported by completing an additional SBA Form 1062.
  - (2) The total counseling time is indicated on the 1062. In those cases where counseling time exceeds 99 hours, a "Follow-on Action" is completed which reflects the difference between the total counseling time and the 99 hours reported on the initial 1062.
  - (3) SBI final reports are maintained in the BD client file. A borrower referral to BD (SBA Form 1061) and the final report are maintained in the Loan File.
- c. A BD counseling chronological file on borrower referrals and other in-house referrals are kept by the BDO showing the date the resource was assigned and the number of follow-ups. It is made a part of the PM file.

### 38. TRAINING FILES

BD cosponsored training programs are reported on SBA Forms 888, "Management Training Report" and 888-A, "Trainee Attendee List". TV training programs are also recorded on the SBA Forms 888 and 888-A. Detailed instructions are on the reverse side of the form.

#### a. Regional Responsibility

- (1) The ARA/BD ensures that district and branch offices provide training programs that are representative of the community business needs.
- (2) The ARA/BD ensures that the training programs receive the publicity necessary to generate a high level of attendance.

#### b. District Office Responsibility.

- (1) The ADD/BD ensures that resources prepare SBA Form 888 within 30 days of completion of the training, that the information is accurate, conforms to instructions and includes proper supporting documents.
  - (a) If the subject is international trade, the resource sends the second copy of the completed SBA Form 888 with supporting documents to the District International Trade Specialist.
  - (b) Only one SBA Form 888 and one 888-A shall be submitted for an individual training event. No duplication of reporting is to be entered into the MIS.
  - (c) The ADD/BD ensures that the data is entered into the MIS accurately.
- (2) Districts will maintain a training events calendar detailing future cosponsored business education programs that have been scheduled and approved by the district office and the extent of the Agency's involvement.

### 39. RESOURCE FILES

#### a. Regional Office Responsibility

- (1) The ARA/BD ensures that field offices keep an up-to-date resource file listing the extent and purpose of the relationships.
- (2) The ARA/BD will review the resource management files annually to determine the adequacy of the records and the degree to which BDO's are applying resource management efforts.



b. District Office Responsibility

- (1) The ADD/BD will ensure that a resource partner file folder is established and maintained for each assigned resource, i.e. SBDC subcenters, SCORE, SBI school, chambers of commerce, trade associations, etc.
- (2) The resource files contain:
  - (a) An outline of development objectives (based on analysis of strengths and weaknesses of each resource).
  - (b) A checklist which itemizes the action steps agreed to by each resource and dates when the action elements are discussed, explained and reviewed with the resource partner.
  - (c) Chronological records with columns for date, description of the action taken and hours are used to report on the amount of BDO time and development activity spent with each resource.
  - (d) An annual strategic counseling and/or training plan for each resource.
  - (e) At least once each quarter, the ADD/BD reviews the resource files to determine progress in developing the full potential of our BD resource partners. The checklist is reviewed to ensure BDO's are helping the resources address the action steps.

40. GENERAL MIS PROVISIONS

- a. All SBA Forms 1062 and 888 are entered into the MIS as soon as possible at either the District Office or resource location.
- b. A copy of each SBA Form 1062 is placed in the client file following the computerized input of the document.
- c. Data in the MIS is the official report of the Agency's activity and is used for inquiries and Congressional and OMB budget reviews.

41. CLIENT SURVEYS-ECONOMIC IMPACT AND ATTITUDINAL SURVEYS OF COUNSELING AND TRAINING.

- a. Economic impact is measured by return on investments, positive changes in sales, profits and employment, taxes paid/generated by client firm, comparison of data on similar businesses, control vs. experimental (i.e. non-receipt of assistance vs. receipt of assistance.)

- b. Attitudinal surveys measure the ways in which clients perceive the value of BD services (i.e., services caused clients to institute changes in the operation of their business or their opinion of BD services moved them to consume further services).
- c. Central Office Responsibility
  - (1) BD Central Office will act as a liaison to the designated Central Office program area responsible for conducting program evaluations.
  - (2) Central Office will interface with the ARA/BD to ensure that the field is kept informed about the status and focus of ongoing national surveys. Local surveys will be the responsibility of the ADD/BD to coordinate and approve.
- d. Regional Office Responsibility
  - (1) The ARA/BD ensures that field offices are kept informed about the status and focus of various ongoing national surveys.
  - (2) The ARA/BD acts as a liaison between their district and branch offices and the Central Office program area responsible for conducting program evaluations.
- e. District Office Responsibility
  - (1) The ADD/BD ensures that BD resource partners are informed about various ongoing national surveys.
  - (2) BD resources use the OMB cleared questionnaires to collect attitudinal information from clients. A copy of the client's response is sent to the ADD/BD for informational purposes.
  - (3) The ADD/BD also uses the OMB cleared training and/or counseling evaluation forms to survey clients for internal management review.

